

WALL STREET JOURNAL
8 May 1978ARTICLE APPEARED
ON PAGE 6*media*
*Can***Global Report*****Soviets Say They'll Have Oil to Export;*****Soviets dispute CIA forecast of Russian oil imports in mid-1980s.**

"We are going to export oil in the mid-'80s and we are going to export in rather substantial quantities," asserts Nikolai Inozemtsev, director of the U.S.S.R.'s Institute of World Economy and International Relations in Moscow.

However, the Soviet Union's continued energy self-sufficiency depends on the stepped-up production of fuel-extraction and electricity generating equipment and this may be difficult, particularly in the area of nuclear power.

The U.S. Central Intelligence Agency report predicting that over the next decade the Soviet Union will change from a net exporter to a substantial importer of oil drew wide attention last year.



The report presaged increased Soviet involvement in the Mideast and weakening Russian trade.

A number of independent specialists in the U.S. and elsewhere had disputed the forecast, but the Soviets, until now, hadn't made any public response.

The Soviet Union is known to have had some oil-production problems. Nonetheless, it is the world's No. 1 oil producer, with current output near 11 million barrels a day, about two million barrels a day more than the U.S.

Additionally, the Soviet Union has petroleum refining capacity of about 10 million barrels a day, second only to that of the U.S., which has capacity of about 16.8 million barrels a day.

In 1976, the Soviet Union exported \$4.5 billion of oil, which accounted for half of its foreign-currency earnings. By contrast, the CIA projected that the Russians would be importing more than \$10 billion of foreign oil in 1985.

Mr. Inozemtsev calls the CIA estimate "incorrect" because it's "based on the assumption that current trends of consumption will continue." He forecasts a slower rate of growth because of conservation programs.

In addition, the Soviet official asserts that "we are going to develop, on the highest scale possible, oil and gas in Siberia." But some CIA officials don't think the Soviets will be able to produce the drilling equipment and pipelines necessary to get enough oil from Siberia.

In addition, Mr. Inozemtsev says the Soviets will depend more heavily on coal and nuclear energy. "All the scientific and technical problems have been solved here" for the increased generation of nuclear power, he says. "The limitation is manufacturing capacity" for the reactors.

The high-ranking adviser suggests that the U.S. and the Soviet Union "cooperate in developing new sources of energy, particularly thermonuclear sources."

But such cooperation, which the Soviets hope would make Western manufacturing technology available to them, isn't likely so long as current political and diplomatic tensions persist.

—Kenneth H. Bacon

file